CITY AUDITOR'S OFFICE

AUDIT OF
SAFEKEY PAYMENT COLLECTION CONTROLS

Report No. CAO 1601-0607-05

September 8, 2006

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CITY AUDITOR

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BACKGROUND

Safekey is a before and after school recreational enrichment program provided by the Las Vegas Community Schools and the City of Las Vegas. The program is held at 65 elementary schools within the City as permitted under the Open Schools Open Doors Agreement between the City and the Clark County School District. Certain Safekey sites operate nine months of the year while others operate for twelve months of the year. The program provides activities for children including sports and fitness, arts and crafts, music and drama, games, special events and homework assistance. The fees for participation in the program are as follows:

- Morning Session (beginning at 6:30 a.m.): weekly rate $20, daily drop-in rate $5.
- Morning Session (beginning at 7:00 a.m.): weekly rate $14, daily drop-in rate $4.
- Afternoon Session: weekly rate $30, daily drop-in rate $7.

Safekey has approximately 300 employees including a site leader and staff at each site. The program is managed by a supervisor, a field supervisor, a coordinator, and six recreational leaders. The recreational leaders oversee an assigned number of Safekey sites and make visits to the sites to review operations and collect deposit paperwork.

In conjunction with this audit, we initiated cash counts at various Safekey sites. The results of these procedures are included in the Safekey Cash Counts audit report (CAO 2200-0607-04). These two reports should be reviewed together to gain useful insight into the condition of the controls surrounding Safekey cash handling and payment collection controls.

OBJECTIVE

Considering the number of Safekey sites collecting payments, the number of Safekey employees, and the limited direct supervision of these sites, there is a greater risk of employee theft of funds at Safekey sites in comparison to other Leisure Services sites. Therefore, it is especially important that strong payment collection controls be in place and enforced at Safekey sites to mitigate this risk of theft.

Our objective in completing this audit was to identify and evaluate the adequacy of the existing payment collection controls and provide recommendations for improvements.

SCOPE AND METHODOLOGY

Our fieldwork was performed in accordance with generally accepted governmental auditing standards. Procedures included:
- Review of policy and procedures;
- Interview of personnel;
- Site observations; and
- Analysis of financial and operational data.

This audit included visits to ten Safekey sites during May and June 2006. During these visits, discussions were held with staff, documents were reviewed, and testing performed. These sites were judgmentally selected for review by the auditors. While the results of testing at these sites may not be indicative of practices at every Safekey site, they do provide evidence of existing control weaknesses that should be addressed.

FINDINGS AND RECOMMENDATIONS

During this audit, we identified some good policies and procedures. However, these policies and procedures are not being consistently followed by Safekey sites. Certain policies and procedures are not being monitored or enforced by Safekey management. As a result, certain Safekey sites have interpreted and selectively applied policies and procedures. This has created an environment in need of increased consistency and management control.

Our audit identified issues management should address to improve the payment collection controls at Safekey sites. These issues are summarized in the following sections. While other issues were identified and discussed with management, they were deemed less significant for reporting purposes.

1. PROGRAM FEE POLICIES

Criteria:
Payment policies should be clear and well documented for both customers and those accepting payments to provide consistency and accountability.

The following are documented policies applicable to this finding:

The *City of Las Vegas Youth Programs Parent Handbook* (Parent Handbook) states the following:

> *Payment is due by <u>FRIDAY at 6:00 pm of the week preceding care</u>. If payment is not made by Friday, families will be subject to a $5 per day late fee and may be suspended from the program.*

> *Any participant with an outstanding balance may not continue in our programs until all fees are paid.*

> *The City of Las Vegas Youth Programs reserves the right to refuse service for the following reasons:*
> - *Failure of parent or child to follow policies, procedures, rules.*
> - *Failure to pay fees as scheduled.*

> *Refunds will not be given for Safekey. The City of Las Vegas Youth Programs do not offer credit when a participant is absent.*

The *City of Las Vegas Youth Participant Information Form* (Information Form) provided to the parents of Safekey children requires the parents to initial the following statement:

> *Fees -- I understand that all fees are due by Friday for the following week. Payments may be made in cash, money order or check accompanied with a driver's license. If payment is not made by Friday at 6:00 pm, families will be subject to $5 per day late fee and may be suspended from the program.*

The *Safekey Cash Handling Procedure* states:

Late payment fee is $5.00 per week. Payments are due by Friday at 6:00 p.m.

The *Late Payment Log Instructions in the Site Leader Binder* states:

The late fee is $5.00 per day, not per week.

The *Safekey Program Fee Schedule* states:
The Drop In Fee is Paid Per Child Per Day for anything less than 5 days.

Condition:

Program Fees

➢ Safekey policies require pre-payment for participation in the Safekey program. According to the Parent Handbook, "any participant with an outstanding balance may not continue in our programs until all fees are paid."

➢ During each Safekey site visit, we identified the number of children in attendance whose parents had not yet paid for their attendance at that specific Safekey session. The following table summarizes the results of our testing:

Safekey Site #	Number of Unpaid Children at Time of Test	Number of Children in Attendance at Time of Test	Percentage of Unpaid Children in Attendance at Time of Test
1	7	18	39%
2	28	38	74%
3	32	63	51%
4	2	16	13%
5	8	10	80%
6	9	19	47%
7	0	51	0%
8	6	7	86%
9	36	64	56%
10	13	19	68%
Total	**141**	**305**	**46%**

➢ Site leaders indicated the following reasons for the high percentage of unpaid children in attendance at certain sites:
- Parents wanting to wait to pay Safekey until they were paid by their employer.
- Considering Safekey has a policy of not giving credits for missed days after an advanced payment is made, certain parents pay at the end of the week when they know how many days their children have attended.

➢ We noted that children of parents with outstanding balances were regularly allowed to continue to participate in the program.

➢ We identified differences in when Safekey sites offered the weekly rate to parents. Certain sites offered parents the weekly rate only if payment was made prior to the end of the preceding week. Other sites offered the weekly rate to parents paying for five days of participation regardless of when the payment was made.

➢ We identified a site that begins at 6:30 a.m. that charged different rates depending on whether a child arrived before or after 7:00 a.m.

Late Fees
➢ Policy conflicts exist on the amount and timing of the assessment of late fees. The *Safekey Cash Handling Procedure* states that late payment fees are **$5 per week**, while other Safekey policies state that the late payment fee is **$5 per day**.
➢ The assessment of late payment fees is not addressed in the *Staff Manual for Youth Programs*.
➢ The *Parent Handbook* states that families will be subject to a **$5 per day** late fee if payment is not made by Friday at 6:00 p.m. However, Safekey offers daily drop-in rates. Therefore, it is unclear whether a late fee should be assessed to parents that opt to pay the daily drop-in rate.
➢ During our site visits, we identified inconsistencies in when Safekey sites assess late charges. It was apparent that there is confusion among Safekey staff on when to assess late charges and how much to charge (i.e., daily vs. weekly).

Cause:
➢ Conflicting policies.
➢ Inconsistent practices.
➢ Lack of review of payment practices and enforcement of policies.

Effect:
➢ Confusion among Safekey staff.
➢ Inconsistencies in the implementation of policies.
➢ Lost revenue.

Recommendation:
Safekey Management should evaluate and clarify its fee policies. The following areas should be addressed:
• Pre-payment requirements.
• Weekly rate eligibility.
• Fees to be charged at 6:30 a.m. sites.
• Clarification on when a payment is considered late.
• Clarification on when late fees should be assessed, the amounts to be charged, and for how long.
• Collection efforts required of staff.

Safekey documentation (i.e., Parent and Staff Handbooks, Participant Information Forms, Program Fee Schedules, Cash Handling Procedures, official signage) should be updated where necessary to reflect policies. Considering the unique nature of Safekey (i.e., continual daily program throughout the school year), Leisure Services should consider creating Parent and Staff handbooks that exclusively address the policies of the Safekey program.

2. PAYMENT COLLECTION OVERSIGHT

Criteria:
Effective supervision and oversight of staff by management helps encourage adherence to policies and procedures and reduces the risk of theft of funds.

Condition:
➢ "Skimming is the theft of cash prior to its entry in an accounting system. Because the stolen funds are never recorded, skimming schemes leave no audit trail. The most basic skimming scheme occurs when an employee sells goods or services to a customer, collects the customer's payment, but makes no record of the sale. It is impossible to detect unrecorded sales by comparing the register tape to the cash drawer." (Encyclopedia of Fraud, Joseph Wells, p. 104)
➢ Safekey has established controls to ensure that recorded customer payments have been properly deposited. However, Safekey lacks sufficient controls to prevent skimming of funds as evidenced by the following:
  • As discussed in the previous finding, there are inconsistent practices and application of payment policies among Safekey sites.
  • No formal reconciliation of children in attendance to payments is being performed by someone independent of the site leader to identify deficient payment practices. Therefore, there is minimal assurance that payments have been recorded for all children attending Safekey.
  • There is minimal supervisory oversight of the morning Safekey sessions as the recreation leaders who oversee the Safekey sites do not work during the morning session hours.
  • Payment cancellations and registration withdrawals at computer sites are not being formally reviewed and questioned by all recreation leaders. The payment cancellation and registration withdrawal reports are not submitted with the financial paperwork with written explanations for the cancellations and withdrawals.
  • Stacks of undistributed customer receipts were found at some of the Safekey sites with laptops. The site leaders noted that many parents do not want to wait around for the printing of a receipt.
➢ Under current practice, the following skimming schemes could exist without detection:
  • A site leader could enter into a side agreement with a parent allowing a child to attend Safekey for a reduced rate and then pocket the cash payments from the parent without detection.
  • If a parent does not care to receive a receipt, the site leader could take a cash payment from a parent without recording it and allow a child to attend without detection.
  • At sites with computers, the site leader could register a child, give the parent a receipt, withdraw the registration and cancel the payment, and then steal the cash without detection.

Cause:
➢   Insufficient oversight of recording of payments.

Effect:
➢   Potential lost revenues to the City.
➢   Inconsistent payment practices not identified or addressed.

Recommendation:
Safekey management should implement the following procedures to improve the oversight of Safekey operations and reduce the risk of skimming:

- Develop documented procedures for completing reconciliations of Safekey participants to payments for both manual and computer site locations.
- Require recreation leaders (or others) to perform regular unannounced reconciliations of children in attendance to payments to identify unpaid amounts, unrecorded payments, and inappropriate payment collection practices. Unpaid amounts should be followed-up on to ensure payment is either made or recorded on the Late Payment Log.
- Implement measures to increase monitoring of the morning Safekey operations.
- Develop, document, and implement formal procedures for reviewing payment cancellations and registration withdrawals.
- Require recreation leaders to identify undistributed customer receipts at Safekey sites and take appropriate measures to get receipts distributed.

3. SIGN-IN PROCEDURES

Criteria:
The *City of Las Vegas Youth Programs Parent Handbook* (Parent Handbook) states the following:

Children must be signed in and out upon arrival and departure. The only person(s) permitted to pick up and sign out a child are those listed on the Participant Information form.

If a parent/guardian is unable to sign a child into the program in the morning, a waiver form must be completed and filed at the program. This form must also be completed if the child is to leave during program hours to attend another activity at the site such as Scouts or a special school program.

The *City of Las Vegas Staff Manual for Youth Programs* (Staff Manual) states the following:

Each child must be signed in and out daily, in ink, with each time indicated and initialed. For hardship and special situations where a parent/guardian cannot sign a child into the morning program (i.e., if the child walks to school), the parent/guardian must complete a Waiver for Sign-In/Sign-Out Procedure Form accepting full responsibility for the child before arriving to the program.

The *City of Las Vegas Youth Programs Participant Information Form* (Information Form) requires parents to initial the following statement:

I understand that each child must be signed in and/or out daily. The only person(s) authorized to pick up the child are those listed on this form and a photo ID must be shown.

Condition:
➢ During our morning Safekey site visits, we observed many children arriving without a parent. Therefore, these children were not signed-in by a parent as required by Safekey policy.
➢ Children periodically arrived with cash or checks to be given to the site leader. Certain site leaders accepted these payments while others did not.
➢ The most effective time for a Safekey site leader to enforce pre-payment for Safekey or to collect on an outstanding balance is on arrival of a child with a parent. If a child is accompanied by a parent, the site leader can refuse to accept the child into the program without payment. Conversely, if a child shows up without a parent, the site leader has no choice but to accept the child into the program.
➢ In addition to not being able to enforce pre-payment of services, the lack of sign-in by a parent of a child increases the potential liability the City may have if a child fails to show up at Safekey or school.
➢ While Safekey no longer provides waivers for parents who claim they cannot sign-in a child, this option remains in the Parent Handbook and Staff Manual.

Cause:
- Lack of enforcement of sign-in policy by certain site leaders.
- Challenging for site leaders to enforce policy.
- Inattentive parents.

Effect:
- Children attending without paying for participation.
- Lack of payment enforcement options if a child arrives without a parent.
- Increased liability to City if a child goes missing.

Recommendation:
Safekey management should take measures to enforce the requirement that parents sign-in their children each morning into the Safekey program. By doing so, site leaders will be in a better position to enforce the pre-payment of services. Clear guidelines should be established for Safekey staff to follow to enforce the policy.

Addressing this issue and changing the habits of parents may require a Safekey staff to periodically stand near the parking lot to discourage parents from dropping off their children without signing in their children.

The Parent Handbook and Staff Manual should be adjusted to reflect Safekey's disallowance of waivers.

4. UNPAID BALANCE COLLECTIONS

Criteria:
Uniform procedures for the recording of unpaid balances and collection efforts should be documented and followed.

Condition:
- According to the Late Payment Log instructions in the Safekey Site Leader binder, Safekey sites are to complete a late payment log by each Friday at 6:00 pm. This log is to include the child's name and the parent's name, address and zip code. The instructions state that a late fee of $5.00 per day is to be charged. A copy of the completed late payment log is to be given to the site's recreation leader the following Tuesday.
- The recreation leaders subsequently make calls or send out letters to parents with unpaid balances to encourage payment.
- Based on our discussions with site leaders at the sites visited and review of records, late payment logs are not consistently being used or picked up by the recreation leaders. Also, as previously noted, late fees are not being uniformly charged to customers.
- We also observed a lack of uniformity in how unpaid balance collections are being pursued among Safekey sites. The following practices at the sites we visited were noted:
  - Parents are reminded of unpaid balances in person.
  - Notifications of unpaid balances are placed in children backpacks.
  - Notifications of unpaid balances are given to the school to be placed in the respective child's school teacher boxes for distribution to children.
  - Calls are made to parents by the site leaders.
  - Certain site leaders rely on Safekey administration to pursue collections.
- No formal policies or procedures identify the roles and responsibilities of site leaders for collections beyond the instructions on use of the Late Payment Log.
- No formal policies or procedures identify the roles and responsibilities of recreation leaders in the collection efforts.

Cause:
- Lack of defined procedures on the collections process.

Effect:
- Unpaid balances may not get recorded and collected.

Recommendation:
Safekey management should document Safekey's unpaid balance collection program including the following areas:
- Roles and responsibilities of site leaders in this program.
- Roles and responsibilities of recreation leaders in this program.
- Collection procedures to be followed for both manual and computer sites.
- Forms/reports to be used.
- Timetable for submittal of information to recreation leaders, Safekey management, and Finance.

5. SAFEKEY RECORDS

Criteria:
Safekey records should provide clear and accessible documentation of payment activity and attendance.

Condition:
Safekey sites without computers currently use the *Safekey Weekly Attendance Report* (see Exhibit 1) and *Sign-In/Out Sheets* to track payments and attendance. The following weaknesses in the design and/or use of these reports were identified:

Safekey Weekly Attendance Report
➢   While this report captures the individual payments received during the identified week, it does not capture the payment date, the period for which the payment is made, and the program for which the payment applies (i.e., morning or afternoon session).
➢   Safekey site leaders summarize the "Fee Paid" column to derive the "Total Fees Received" during the week. However, there is no summary of payments received by day that can be reconciled to each Daily Cash Summary Sheet.
➢   Past-due payments received during the current week are recorded on the current weekly attendance report.
➢   Safekey sites have developed different methodologies for recording multiple week payments.
➢   Under Safekey policy, parents are asked to make payment with the correct change and change is not to be given by the Safekey staff. Parents without correct change often give more than the required amount and the overpayment is subsequently applied to future days. The total amount received is documented on the weekly attendance report but different approaches are followed to document the overpayments. It is not always evident from the report what amount has been applied to the current week.
➢   The required payment amount per session, if any, for EOB (Economic Opportunity Board) subsidized children is not documented on the report and therefore, it is not evident what payments should be collected.

Sign-In/Out Sheets
➢   An independent reviewer of the sign-in/out sheets cannot identify which children were signed-in by a parent/guardian, which children signed themselves in, and which children were signed-in by an instructor. Without this information, it is difficult to know which sites are requiring parents to sign their children in and out.

Cause:
➢   Use and design deficiencies in documents.
➢   Confusion of staff on how to properly record certain transactions.

Effect:
➢   Without complete and accessible information, it is difficult to monitor payment activity at Safekey sties.

> ➤   Lack of a clear "audit trail".

Recommendation:
Safekey Management should evaluate the noted deficiencies in the Weekly Attendance Report and Sign-In/Out Sheets and determine how these deficiencies can be most effectively addressed. The current forms/reports could be revised or new forms/reports created. Direction on the use of these documents should be documented and clearly communicated to staff.

6. PAYMENT PROCESSING USING COMPUTERS

Criteria:
Systems should support the operations of a program and provide useful and timely information.

Condition:
- ➢ Leisure Services is currently implementing the use of laptop computers at select Safekey sites. Fifteen Safekey sites currently have laptops allowing them to use the Class System (department registration system) to register children in Safekey and process payments.
- ➢ The use of the laptops at these Safekey sites has reduced the data input previously required by the recreation leaders. In addition, registration and payment activity by child is now accessible on-line in real-time for use by Safekey staff.
- ➢ While the Safekey module in the Class System continues to be developed, the following issues related to the processing and monitoring of payments with the computer were noted:
  - Certain sites do not register a child in Safekey until a payment is received even though the child is attending. A review of Class reports will not help identify children whose parents have not paid.
  - Certain Safekey staff do not register a child until the end of the week when actual attendance is known due to the steps required to amend/withdraw a registration if the initial days registered do not end up reflecting the actual attendance.
  - The Class System does not allow for identification of the days a child will be attending.
  - Procedures have not yet been developed for Safekey sites to follow and the reports to be used once on-line registration is fully implemented.

Cause:
- ➢ Newly developed system.
- ➢ Newly trained staff.

Effect:
- ➢ Lack of complete information for monitoring payments.
- ➢ Lack of accessibility of certain information for Safekey staff.

Recommendation:
Leisure Services management should evaluate the identified Safekey system payment processing issues and determine what system enhancements or manual procedures could be implemented to address these issues. Policies and procedures on the use of the computer at Safekey sites should be created, documented, and shared with Safekey staff.

EXHIBIT 1

SAFEKEY WEEKLY ATTENDANCE REPORT

Safekey Site _____   _____   Week of _____   _____

	Student's Name	Days Attended	Days Reg.	Financial Aid	Fee Paid	Receipt #
1		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		
2		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		
3		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		
4		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		
5		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		
6		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		
7		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		
8		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		
9		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		
10		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		
11		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		
12		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		
13		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		
14		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		
15		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		
16		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		
17		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		
18		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		
19		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		
20		AM M T W Th F		CDBG		
		PM M T W Th F		EOB State Grant		

Daily Attendance: AM _____
M Tu W TH F

Daily Attendance: PM _____
M Tu W TH F

Daily Snacks: _____
M Tu W TH F

State Grant: _____

Total CDBG Scholarships: _____

Total Fees Received: $_____

Number of Students: _____

Snack Total: _____

EOB Scholarships: _____

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MANAGEMENT RESPONSES
TO
AUDIT OF SAFEKEY PAYMENT COLLECTION CONTROLS

1. PROGRAM FEE POLICIES

Recommendation: Safekey Management should evaluate and clarify its fee policies.   The following areas should be addressed:

- Pre-payment requirements.
- Weekly rate eligibility.
- Fees to be charged at 6:30 a.m. sites.
- Clarification on when a payment is considered late.
- Clarification on when late fees should be assessed, the amounts to be charged, and for how long.
- Collection efforts required of staff.

Safekey documentation (i.e., Parent and Staff Handbooks, Participant Information Forms, Program Fee Schedules, Cash Handling Procedures, official signage) should be updated where necessary to reflect policies. Considering the unique nature of Safekey (i.e., continual daily program throughout the school year), Leisure Services should consider creating Parent and Staff handbooks that exclusively address the policies of the Safekey program.

Management Plan of Action: Agreed. Recommendations have already been addressed and corrected in new SK manuals. Handbooks created strictly for the SK program are complete and ready for print. Copies of manuals will be provided to Auditor's after September 6, 2006. Late payment charge has been corrected to $5.00 per day as written in the parent handbook. Staff manual will be corrected for next printing by September 30, 2006.

Estimated Date of Completion: Sept. 06

2. PAYMENT COLLECTION OVERSIGHT

Recommendation: Safekey management should implement the following procedures to improve the oversight of Safekey operations and reduce the risk of skimming:

- Develop documented procedures for completing reconciliations of Safekey participants to payments for both manual and computer site locations.
- Require recreation leaders (or others) to perform regular unannounced reconciliations of children in attendance to payments to identify unpaid amounts, unrecorded payments, and inappropriate payment collection practices. Unpaid amounts should be followed-up on to ensure payment is either made or recorded on the Late Payment Log.
- Implement measures to increase monitoring of the morning Safekey operations.
- Develop, document, and implement formal procedures for reviewing payment cancellations and registration withdrawals.

- Require recreation leaders to identify undistributed customer receipts at Safekey sites and take appropriate measures to get receipts distributed.

Management Plan of Action: Agree with recommendations. Management will develop documented procedures for completing reconciliations of Safekey participants to payments for both manual and computer site locations.

- Starting this school season management will require recreation leaders (or others) to perform regular unannounced reconciliations of children in attendance to payments to identify unpaid amounts, unrecorded payments, and inappropriate payment collection practices. Unpaid amounts will be followed-up on to ensure payment is either made or recorded on the Late Payment Log.
- Starting this school season management will implement measures to increase monitoring of the morning Safekey operations.
- Starting this school season management will develop, document, and implement formal procedures for reviewing payment cancellations and registration withdrawals.
- Starting this school season management will require recreation leaders to identify undistributed customer receipts at Safekey sites and take appropriate measures to get receipts distributed.

Estimated Date of Completion: October 2006

3. SIGN-IN PROCEDURES

Recommendation: Safekey management should take measures to enforce the requirement that parents sign-in their children each morning into the Safekey program. By doing so, site leaders will be in a better position to enforce the pre-payment of services. Clear guidelines should be established for Safekey staff to follow to enforce the policy.

Addressing this issue and changing the habits of parents may require a Safekey staff to periodically stand near the parking lot to discourage parents from dropping off their children without signing in their children.

The Parent Handbook and Staff Manual should be adjusted to reflect Safekey's disallowance of waivers.

Management Plan of Action: Agree with recommendations. New Manuals already reflecting recommended changes. Waiting for print. New staff to be hired or TILO/OT budget to be increased to enforce sign-in sign-out policy. Leisure will have a zero tolerance for parents not signing in and out their children.

Estimated Date of Completion: Printed material to be completed by Sept. 06. Approval is required and a time frame for hiring additional staff will need to be established.

4. UNPAID BALANCE COLLECTIONS

Recommendation: Safekey management should document Safekey's unpaid balance collection program including the following areas:
- Roles and responsibilities of site leaders in this program.
- Roles and responsibilities of recreation leaders in this program.
- Collection procedures to be followed for both manual and computer sites.
- Forms/reports to be used.
- Timetable for submittal of information to recreation leaders, Safekey management, and Finance.

Management Plan of Action: Manuals and Cash handling policies corrected, waiting to be printed. SK Rec. Ldr. Manual to be developed.

Estimated Date of Completion: Draft for Rec. manual to be completed by Oct. 06.

5. SAFEKEY RECORDS

Recommendation: Safekey Management should evaluate the noted deficiencies in the Weekly Attendance Report and Sign-In/Out Sheets and determine how these deficiencies can be most effectively addressed. The current forms/reports could be revised or new forms/reports created. Direction on the use of these documents should be documented and clearly communicated to staff.

Management Plan of Action: Set meeting with Auditors to revise forms/reports for better audit trail.

Estimated Date of Completion: Meet with Auditors by October 30, 2006.

6. PAYMENT PROCESSING USING COMPUTERS

Recommendation: Leisure Services management should evaluate the identified Safekey system payment processing issues and determine what system enhancements or manual procedures could be implemented to address these issues. Policies and procedures on the use of the computer at Safekey sites should be created, documented, and shared with Safekey staff.

Management Plan of Action: LS will evaluate the system payment processing issues and determine what system enhancements or manual procedures could be implemented to address these issues. Laptop policies and operating procedures have been developed (with additional information to be added) and given to Safekey staff. Additionally, the following procedures have been put in place:
a. All children must have a participation form filled out before attending the program.
b. If a child shows up at a Safekey site and there is no participation form the child is returned to the school office.

c. Payments are due on Friday for the next week. If payment is not made, late fees are assessed at $5/day until payment is made and participant must pay the daily rate for the week. Payment may be made for the whole week or paid daily.

d. If participant goes a second week without payment, they are removed from the program.

e. Sign in/out sheets are checked against the payment log to make sure that those attending have paid for the program.

f. Rates for the program have been narrowed down to a daily rate or a weekly rate.

g. At present 30 of the 67 sites have computers with the goal that all sites will be on the CLASS system by fall 2008. This will make it much easier to check on registrations and payments made as they will be administered by the CLASS system. The only problem that some sites may have is the availability of wireless internet access. IT is assisting in this problem.

Estimated Date of Completion: Evaluate all payment processing issues by December 2006. Copy of basic policies and staff handbook to auditor's by September 5th.